

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1821 - SB 2245

February 12, 2018

SUMMARY OF BILL: Removes the requirement that state operated medical laboratories and public health laboratory testing personnel employed by the Department of Health (DOH) be regulated under the *Tennessee Medical Laboratory Act*.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue – \$5,200/Medical Laboratory Board

Decrease State Expenditures - \$5,200/Medical Laboratory Board

Other Fiscal Impact - Pursuant to Tenn. Code Ann. § 4-29-121, all health related boards are required to be self-supporting over a two-year period. The Medical Laboratory Board had a surplus of \$223,700 in FY15-16, a surplus of \$136,400 in FY16-17, and a cumulative reserve balance of \$1,712,400 on June 30, 2017.

The Governor's recommended budget for FY18-19, on page A-37, recognizes a recurring decrease in dedicated state revenue and an equivalent recurring decrease in state expenditures from dedicated funds of \$5,200.

Assumptions:

- Based on information provided by the DOH, currently 104 licenses are issued to individuals who work at the state operated medical laboratory. The renewal fee is \$100 per individual biennially.
- It is assumed that 50 percent of individuals (104 x 50.0%), or 52 individuals, will not be required to renew their license in FY18-19 and every other year thereafter, and the remaining 50 percent, or 52 individuals, will not be required to renew their license in FY19-20 and every other year thereafter.
- The recurring decrease in state revenue to the Medical Laboratory Board is estimated to be \$5,200 (52 individuals per year x \$100 renewal fee).
- Due to the recurring decrease in revenue to the Board, the Board will decrease its recurring expenditures by \$5,200.
- Pursuant to Tenn. Code Ann. § 4-29-121, all health related boards are required to be self-supporting over a two-year period. The Medical Laboratory Board had an annual

surplus of \$223,652 in FY15-16, an annual surplus of \$136,386 in FY16-17, and a cumulative reserve balance of \$1,712,416 on June 30, 2017.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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